

California's Future

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December 27, 2005

Mr. Lester Snow
Director
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001

RE: South Delta Improvements Program

Dear Director Snow,

On behalf of the Independent Oil Producers' Agency (IOPA), I am writing today to express our organization's support for the Department of Water Resources' (DWR) South Delta Improvements Program (SDIP), a critical water supply, water quality and environmental project designed to meet California's diverse water needs. This October, DWR and the U.S. Bureau of Reclamation released a draft Environmental Impact Report/Statement (EIR/S) for SDIP, kicking off an important public review and comment process.

Throughout its rich history, IOPA has maintained and fostered a proud record of excellence and accomplishments. For over a century now, IOPA has provided all levels of government with accurate information so that fair and reasonable decisions can be reached – decisions affecting independent oil producers, business and the environment. Through its staff and political action committee, IOPA also ensures that California's independent oil producers maintain a credible voice in key governmental actions.

IOPA provides an invaluable service when dealing with the regulatory maze that now faces the California independent producer. We are directly involved in decision making processes that encompass the Southern California Water Committee, Water Association of Kern County Executive Committee, Kern County Ground Water Quality Committee and Valley Economic Task Force Air & Water Subcommittee including past involvement with the Central Valley Economic Task Force Air & Water Subcommittee, all which have an affect on California's water needs.

As you know, California is facing a critical challenge: We need a safe, reliable and high quality water supply to keep up with our rapidly rising population and fast-growing trillion-dollar economy. However, we have limited water supplies in our arid state, so we must better utilize our existing water resources and infrastructure; otherwise, we put our communities, farms, environment and businesses at great risk. Two-thirds of California receives its water from the San Francisco Bay/Sacramento-San Joaquin Delta. Given its importance, we need better ways to manage the

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Delta's water delivery system, as well as the water itself. In essence, we need to make every drop count.

In 2000, the state and federal governments initiated the historic CalFed Bay-Delta Program to manage the Bay-Delta's water resources and eco-system. A unique collaboration of interests supported the plan including environmental organizations, water agencies, business interests, farmers, and state and federal water and fish agencies. SDIP is the next step forward in this long-term planning effort for the Bay-Delta.

SDIP is a responsible and balanced plan to better utilize and integrate our existing water management infrastructure in the Delta. Collectively, it will improve our state's water supply reliability, water quality and the overall health of the Bay-Delta ecosystem. The program will construct seasonal tidal gates to protect fish, and improve water circulation and quality in the Delta, dredge select Delta channels to improve water deliveries for local farmers, and allow State Water Project deliveries to increase modestly – only when needed and environmentally safe to do so.

Currently, the state is constrained in its ability to use surplus water supplies. We have the infrastructure to move the water, but until SDIP is approved, the state's water managers cannot fully or responsibly use the existing system. SDIP calls for only a 3-5% increase in the average amount of water pumped from the Delta. More significantly, SDIP will provide the flexibility to shift the timing of water deliveries when surplus is available and when environmentally safe to do so. SDIP is an ideal option for California to advance – it will not require building a new project or the construction of major new infrastructure. And, funding for the program has already been secured through passage of voter approved bonds in 2000 (Proposition 13).

Importantly, SDIP will help protect important Delta environmental resources. Specifically, it will help protect fish species in the Delta channels. At the same time, by providing the state greater flexibility in how and when SDIP operates its system of pumps, fish are granted greater protections.

Given all these points, SDIP is supported by a statewide, broad coalition of water, agriculture, business, planning organizations, and local government officials including the Association of California Water Agencies, State Water Contractors, California Chamber of Commerce, California Business Properties Association and the Western Growers Association.

Water is the lifeblood of California – critical to our families, farms, and businesses. It is our responsibility to use this precious resource wisely through all possible best management practices, including water conservation, recycling and storage, to ensure California's water future. It is imperative that we have a more flexible water delivery system so that we can continue to accommodate growth in our population and economy while relying on existing water supplies.

Again, we strongly support SDIP and encourage all key stakeholders to help advance this critically needed project.

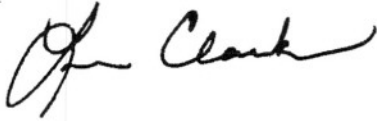
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Thank you.

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Sincerely,



Leslie W. Clark, Jr.
Executive Vice President
Independent Oil Producers' Agency

✓ cc (*by facsimile*): Hon. Governor Arnold Schwarzenegger, (916) 445-4633
Mr. Ryan Brodderick, Director, California Department of Fish and Game, (916) 653-7387
Mr. Mike Chrisman, Secretary, California Resources Agency, (916) 653-8102
Mr. Joe Grindstaff, Director, California Bay-Delta Authority, (916) 445-7297
Mr. Kirk Rodgers, Regional Director, Mid-Pacific Region, U.S. Bureau of
Reclamation, (916) 978-5114
Mr. Dan Skopec, Deputy Cabinet Secretary, Office of the Governor, (916) 324-6358
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